



March 31, 2017

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: *Connect America Fund, WC Docket No. 10-90*

Dear Ms. Dortch:

On Wednesday, March 29, 2017, the undersigned on behalf of NTCA–The Rural Broadband Association (“NTCA”), together with Denny Law, General Manager and Chief Executive Officer of Golden West Telecommunications, and Jonathan West, General Manager and Chief Executive Officer of Twin Lakes Telephone Cooperative, met with Jay Schwarz, acting wireline advisor to Chairman Ajit Pai, to discuss matters in the above-referenced proceeding.

The companies in attendance described the negative impacts of continuing universal service fund (“USF”) budget shortfalls on the availability and affordability of broadband in rural America, including the fewer number of locations that would be reached over the next decade under the cost model, the higher rates that consumers will continue to pay for standalone broadband notwithstanding reforms, and the chilling effect upon investments arising out of the unpredictability of the new budget control mechanism under the non-model mechanism. The companies talked too about the chilling effect of the per-location cap as currently constituted within the capital investment allowance, which is leading companies to scale back projects and leave locations that might otherwise be served stranded without any prospect of broadband for years to come. We further discussed several other aspects of prior USF reforms that would appear relatively simple to address at no additional expense or burden to the USF mechanisms as a whole – specifically, the need for prompt action with respect to the punitive rate floor policy, the lack of an inflationary factor within the operating expense caps, and the imputation of access recovery charges on a subset of standalone broadband lines that are causing consumers to pay even higher rates still for such services. *See, e.g.*, Petition for Reconsideration and/or Clarification of NTCA, WC Docket No. 10-90, *et al.* (filed May 25, 2016) at 2-11 and 20-24; Application for Review of NTCA, *et al.*, WC Docket No. 10-90 (filed Jan. 21, 2015). Finally, we discussed steps that must be taken to undertake a robust competitive overlap analysis, and encouraged the Commission to take such steps to provide greater certainty with respect to the availability of ongoing support. *See Ex Parte* Letter from Michael R. Romano, Sr. Vice President, NTCA, to Marlene H. Dortch, Secretary, Commission, WC Docket No. 10-90 (filed Feb. 3, 2017), at 3.

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Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS.

Sincerely,

/s/ Michael R. Romano

Michael R. Romano

Senior Vice President –

Industry Affairs & Business Development

cc: Jay Schwarz